THE MINISTER OF COMMERCE (SHRI RAMAKRISHNA HEGDE): (a) and (b) Yes, Sir. A Free Trade Agreement was signed on 28th December, 1998. The Agreement shall enter into force 30 days after the Contracting Parties have notified to each other regarding the completion of their respective constitutional requirements.

The Agreement envisages the phasing out of tariffs on all products except for a limited number of items in the Negative List over a period of time. While India would complete the process of tariff elimination over a period of 3 years, Sri Lanka would achieve this over a period of 8 years.

(c) to (e) To strengthen economic ties amongst SAARC countries an offer was made to all the SAARC member countries during the Colombo Summit that India would be willing to enter into bilateral Free Trade Agreements with them to accelerate the pace of trade liberalization in the region. This trade agreement with Sri Lanka will accelerate the development of national economies, promote mutually beneficial bilateral trade and strengthen intra-regional economic cooperation. The economic integration of the domestic market will accelerate the process of economic development and would also contribute to the expansion of world trade as well as establishment of SAARC Free Trade Area. Separate treaties of trade already exists between India and its two neighbours, Bhutan and Nepal which provide for liberal trade ties in accordance with our relations with them.

Suspension of Import of Rubber

652. SHRI JIBON ROY: Will the Minister of COMMERCE be pleased to state:

(a) whether the Rubber Board has recommended suspension of import of rubber to overcome the difficulties faced by the rubber plantation industry in India;

(b) whether the production of rubber showed decline due to import of rubber; and

(c) the steps taken by Government to save the rubber plantation industry in India?

THE MINISTER OF COMMERCE (SHRI RAMAKRISHNA HEGDE): (a) Yes, Sir.

(b) No, Sir.

(c) For the growth of rubber plantation industry, the Government of India through Rubber Board, has been providing extension and advisory support to the rubber growers, promoting processing and marketing of small growers' rubber through cooperative institutions and Rubber producers Societies, periodically revising the Benchmark Price of Natural Rubber etc. Rubber Board also provides planting grant to Rubber Growers the, rate of which has been enhanced from Rs. 8,000/-per ha. To Rs. 18,000/- and Rs. 22,000/- per ha. In traditional and non traditional areas respectively.

In order to provide remunerative price of rubber to the rubber growers, the Government of India has been procuring rubber through STC at Government cost and selling the same to Advance Licence Holders. Further import of rubber through Advance Licence has also been suspended with effect from 20.2.99.

Growth of Exports

653. SHRI P. PRABHAKAR REDDY: Will the Minister of COMMERCE be pleased to state:

(a) whether it is a fact that at a Press Conference held on the 11th November, 1998 he had expressed optimisum that Indian export trade would achieve the growth target of 15 per cent in the current financial year;

(b) if so, whether this target has been fulfilled during the period April, 1998 to January 1999;

(c) if so, the details thereof;

(d) if answer to part (b) above be in the negative the reasons therefor; and

(e) what steps are proposed to be taken to boost up the sagging exports?

THE MINISTER OF COMMERCE (SHRI RAMAKRISHNA HEAGDE): (a) Yes Sir.

(b) to (d) As per the available provisional data received from the Directorate General of Commercal Intelligence & Statistics (DGGI&S), during April—December, 1998-99 exports registered a growth of 11.7% in rupee terms and a decline of 2.9% in dollar terms. The deceleration of exports is mainly due to South East Asian crisis and world wide recession.

(e) Export promotion measures are continuously being taken by the Government through changes in policies and procedures for providing an export friendly environment, Involvement of States in export promotion and consultation with trade and industry. A number of steps have been taken to promote exports which include lowering of interest rates on export credit, reduction in transaction cost through decentralisation and simplification of procedures and various other measures as enumerated in the Exim Policy. Steps have also been taken to promote exports through multilateral and billateral initiatives, identification of thrust sectors and focus regions. The Government is also initiating action through several measures to facilitate investment in sectors with strong export potential, encourage diversification of India's export basket, address Infrastructure short comings, imporve export facilitation measures and thus enhanace the overall competitiveness of Indian exports. The Government is according high priority to exports and all necessary steps are being taken to put exports on high gorwth trajectory.

Steps to encourage Exports From The North-Eastern Region

654. DR. ARUN KUMAR SARMA: Will the Minister of COMMERCE be pleased to state:

(a) whether the Department related Parliamentary Standing Committee on commerce, in its 36th Report on development potential of Commerce in the NER have recommended to establish an EPZ preferably in or around Guwahati with Government funds to encourage export from the region;

(b) if so, the details of the steps being taken by Government to implement the aforesaid recommendation of the Committee;

(c) the budgetary allocation made, if any; and

(d) the target fixed for its implementation?

THE MINISTER OF COMMERCE (SHRI RAMAKRISHNA HEGDE): (a) Yes Sir.

(b) to (d) The proposal for setting up of an EPZ in the North Easterm region with central assistance was considered in consultation with the Planning Commission. On the advice of the Planning Commission, it has been decided to explore the feasibility of converting the sanctioned Export Promotion Industrial Park (EPIP) in Assam located near Guwahati into an EPZ for the North Eastern region. The State Government has been requested to communicate its views in the matter.

Target set for Export of Mangoes.

655. SHRI SOLIPETA RAMACHANDRA REDDY: Will the Minister of COMMERCE be pleased to state:

(a) whether any target has been set for mango exports during the forthcoming season;

(b) if so, the details thereof; and